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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/696,053	10/28/2003	Wayne Rubin	P/ 3578-11	5891
2352	7590	11/21/2005	EXAMINER	
OSTROLENK FABER GERB & SOFFEN 1180 AVENUE OF THE AMERICAS NEW YORK, NY 100368403			KIM, NICHOLAS J	
			ART UNIT	PAPER NUMBER

3622

DATE MAILED: 11/21/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

<b>Office Action Summary</b>	<b>Application No.</b>	<b>Applicant(s)</b>	
	10/696,053	RUBIN ET AL.	
	<b>Examiner</b>	<b>Art Unit</b>	
	Nicholas Kim	3622	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 28 October 2003.
- 2a) ☒ This action is **FINAL**.                      2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 1-30 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-30 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☒ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All    b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- \* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- |  |   |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)                        | 4) <input type="checkbox"/> Interview Summary (PTO-413)                     |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)               | Paper No(s)/Mail Date. _____  |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| Paper No(s)/Mail Date <u>28 October 2003</u> .   | 6) <input type="checkbox"/> Other: _____                                    |

## **DETAILED ACTION**

### ***Claim Objections***

1. Claims 1, 13, 14, 15, 17, 19, 24, 26-30 are objected to because of informalities.
2. Claim 1 at line 4 should read “receiving a referral of an entity from the first level participant...” Claim 1 at line 6 should read “performing an activity by one of the first and second level participants....” Claim 1 at line 7 should read “awarding credits to the first participant or the second participant that performed the activity...” Claim 1 at line 8 should read “transferring a portion of the credits to the first level participant if...”
3. Claim 15 line 2 should read “receiving a referral of a second entity to the system...” Claim 15 at line 4 should read “performing another activity by the third level participant...”
4. Claim 24 at line 4 should read “sending invitations by the first level participant using the system to a plurality of entities, the invitations inviting ...” Claim 24 at line 7 should read “performing an activity by one of the first and second level participants, the activity...” Claim 24 at line 9 should read “awarding credits to the first participant or the second participant that performed the activity...”
5. Further, Claim 13 at line 2 should read “...an account of the second level participant and an account for the second level participant.” Claim 14 at line 2 should read “...in the account of the first level participant.” Claim 17 at line 2 should read “... to a second activity performed by the first participant or the second participant.” Claim 19 at line 2 should read “where the step of applying...” Claim 19 at line 3 should read “the first participant or the second participant further comprises...” Claim 26 at line 1 should read “wherein the sharing rate.” Claim 27 at line 1 should read “wherein the sharing rate...” Claim 28 at line 1 should read “as recited in Claim 27,

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wherein the variable rate is dependent...” Claim 29 at line 1 should read “wherein the awarding step...” Claim 30 at line 1 should read “wherein the awarding step...” It is noted that the suggested claim changes are commensurate in scope with the interpretation afforded the claims during examination.

### *Specification*

6. The disclosure is objected to because it contains embedded hyperlinks and/or other forms of browser-executable code at least at Paras. 0004 - 0006. Applicants are required to delete the embedded hyperlink and/or other form of browser-executable code. See MPEP § 608.01.

### *Claim Rejections - 35 USC § 102*

7. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

8. Claims 1-10, 13-18, and 21-30 are rejected under 35 U.S.C. 102(b) as anticipated by Shell (EP 0 844 577 A2).

9. Beginning with Claims 1 and 24, Shell teaches Applicants’ claimed methods, including registering a participant as a first level participant (Col. 6, ℓ. 1-14), the first level participant referring an entity to the system by sending invitations to a plurality of entities (Col. 6, ℓ. 1-24), registering at least one of the entity as a second level participant (Col. 6, ℓ. 1-24), one of the first and second level participant performing an activity of a plurality of activities recognized by the

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system (Col. 6, l. 1-24), awarding credits to the participant that performed the activity (Col. 6, l. 26-42), and transferring to the first level participant a portion of the credits if the second level participant was awarded the credits (Col. 6, l. 26-42).

10. With regard to Claims 2 and 3, Shell discloses that the step of performing the activity further includes making a purchase (Col. 5, l. 20-55), wherein the purchase is made on the Internet (Col. 2, l. 14-15).

11. Addressing Claims 4-6 and 21, Shell discloses that a plurality of partners offering goods and services are associated with the system, wherein the step of performing the activity further includes performing the activity in cooperation with at least one of the partners (Col. 3, l. 19-22). Shell also describes the step of the at least one partner providing a fee to an operator of the system in response to the performance of the activity (Col. 3, l. 36-42 and Col. 6, l. 34-37), wherein the fee/awarded credits is based on revenue received by the at least one partner/operator from the performance of the activity (Col. 3, l. 36-42 and Col. 6, l. 34-37).

12. Additionally, Shell teaches the step of performing the activity further includes paying for a service (Col. 5, l. 20-55), limitations recited in Applicants' Claim 7. For the purpose of examination, Shell's "products" are interpreted to include any goods or services normally bought or sold, consistent with the standard definition in the art.

13. Turning to Claims 8-12, Shell describes that the step of performing the activity further includes one of the referring step (Col. 6, l. 1-24), viewing advertising (Col. 2, l. 48-55, "catalogs"), or visiting an Internet website (Col. 2, l. 14-20).

14. Concerning Claims 13-14, Shell also teaches establishing an account for each participant (Col. 9, l. 44-46) and depositing the awarded credits in the account of the participant, wherein

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the step of transferring further includes the step of transferring the portion of the credits from an the account of the second level participant to the account of the first level participant (Col. 11, ℓ. 52 – Col. 12, ℓ. 8).

15. With regard to Claim 15, Shell discloses the second level participant referring a second entity to the system, registering the second entity as a third level participant, the third level participant performing another activity, awarding credits to the third level participant, transferring to the second level participant a portion of the credits awarded to the third level participant, and transferring to the first level participant a portion of the credits transferred to the second level participant (Col. 11, ℓ. 52 – Col. 12, ℓ. 8).

16. Shell also teaches redeeming the credits for cash (Col. 11, ℓ. 37-47), as recited in Claim 16.

17. Concerning Claims 17-18, Shell describes applying the credits to an activity performed by the participant (Col. 10, ℓ. 36 – Col. 11, ℓ. 7), wherein the activity is a purchase (Col. 5, ℓ. 20-55).

18. Addressing now Claims 22-23, Shell teaches that the first level participant is an individual or a business (Col. 2, ℓ. 14-56). It is noted that Shell's general teachings of "customer," "seller," and "purchaser" as entities of the multi-level sales program inherently include both individuals and businesses (and further, groups such as co-ops, organizations, and governments). Additionally, it is noted that businesses participate by way of the individuals (employees) belonging to the businesses.

19. Shell also teaches all limitations of Applicants' Claims 25-27 and 29-30. The method as recited in claim 24, wherein the portion of the credits transferred to the first level participant

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from the second level participant is determined according to a fixed or variable sharing rate and wherein the awarding step further includes awarding the credits to the participant at a fixed rate or on a sliding scale (Col. 3, l. 36-43).

20. Lastly, with regard to Claim 28, Shell describes that the variable rate is dependent on the volume of activities performed (Col. 13, l. 10, "Purchase History").

***Claim Rejections - 35 USC § 103***

21. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

22. Claims 11-12 and 19-20 are rejected under 35 U.S.C. 103(a) as unpatentable over Shell in view of McDonald, et al. (International Pub. No. WO 96/36926, herein "McDonald").

23. Concerning Claims 11 and 12, Shell does not explicitly teach that the activity includes participating in one of a survey or poll. However, McDonald expressly provides this limitation (McDonald at Abstract). Accordingly, it would have been obvious to one skilled in the art at the time of Applicants' invention to modify Shell as taught by McDonald for advantageously increasing the size of the network, thereby making it increasingly attractive to advertisers, market researchers, and vendors (McDonald at p. 5, l. 30-32).

24. Turning to Claims 19-20, Shell does not explicitly teach steps of storing the credits in an electronic wallet, depleting the credits stored on the electronic wallet while visiting a partner

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website, visiting a website of the system and storing more credits on the electronic wallet, and automatically returning to the partner website, wherein step of applying the credits to an activity performed by the participant further comprises using the credits stored in the electronic wallet.

However, McDonald expressly provides these limitations (McDonald at p. 17, l. 23-28).

Accordingly, it would have been obvious to one skilled in the art at the time of Applicants' invention to store the credits awarded in Shell in an electronic wallet (virtual bank account) and to use a portion of the balance of this account to discount future purchases at websites registered (partnered) with the system. One would have been motivated to allow credits to accrue and be used in this manner to eliminate the need for the system operator to issue "small value" funds transfers or physical checks to the customers. Furthermore, by requiring the credits to be used at one of the partner websites of the system, the credit value is retained within the system and not used at some non-affiliated merchant such as would be possible when awarding actual cash.

***Continued Examination Under 37 CFR 1.114***

25. This is a continuation application of Applicants' earlier Application No. 09/569,180. All claims are drawn to the same invention claimed in the earlier application and could have been finally rejected on the grounds and art of record in the next Office action if they had been entered in the earlier application. Accordingly, **THIS ACTION IS MADE FINAL** even though it is a first action in this case. See MPEP § 706.07(b). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

26. A shortened statutory period for reply to this final action is set to expire **THREE MONTHS** from the mailing date of this action. In the event a first reply is filed within **TWO**



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MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no, however, event will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

### *Conclusion*

27. The prior art made of record and not relied upon is considered pertinent to Applicants' disclosure. Kanter (U.S. Patent No. 5,537,314) teaches participants and sponsors in pyramidal-type structures. Damico et al. (U.S. Patent No. 5,819,285) describes a database for storing information related to a user and an entity that directed the user to the computer service. Bezos et al. (U.S. Patent No. 6,029,141) discloses an Internet-based referral system enabling individuals and other business entities/associates to market products on a web site in return for a commission. Masi et al. (U.S. Patent No. 6,105,001) describes a commission management system. Shell 2 (U.S. Patent No. 6,134,533) is the U.S. Patent corresponding to Shell applied in the rejections above. Barber (U.S. Patent No. 6,289,318) teaches a method including a merchant who has agreed to provide a reward to one or more of the merchants a consumer accessed on the way to the paying merchant's server. Additionally, Anonymous (Anonymous, "Cash from your desktop adverts: The hopes of the nascent AllAdvantage.com are pinned to an idea so big that it seems banal." Financial Times, June 1, 1999, p. 15, para. 7) and Birch (Birch, David, "Loyalty goes beyond the boundaries," Business and Management Practices, Nov 1999, p. 12-13, Para.

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12), describing multi-level marketing and compensation schemes, were both cited by Applicants as relevant to Applicants' disclosure using an IDS filed May 7, 2001.

28. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Nicholas Kim whose telephone number is (571) 272-1392. The examiner can normally be reached on Monday - Friday 8am - 4:30pm.

29. If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Eric Stamber can be reached on (571) 272-6724. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

30. Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

NJK

  
JEFFREY D. CARLSON  
PRIMARY EXAMINER